



# PRESS RELEASE

## Internal Revenue Service - Criminal Investigation Cincinnati Field Office *Special Agent in Charge Kathy A. Enstrom*

Date: Wednesday, March 18, 2015

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CI Release #: CINFO-2015-11

### WILMINGTON PHYSICIAN PLEADS GUILTY TO IRS CHARGE

DAYTON, OHIO – Dr. Melville Donald Hayes, 64, of Wilmington, Ohio pleaded guilty to making a false statement on a collection information statement form with the Internal Revenue Service (IRS). Hayes faces a maximum of 3 years in prison and a \$250,000 fine.

Carter M. Stewart, United States Attorney for the Southern District of Ohio and Kathy A. Enstrom, Special Agent in Charge, Internal Revenue Service Criminal Investigation, Cincinnati Field Office announced the guilty plea entered before U.S. Magistrate Judge Sharon L. Ovington.

According to court documents, in July 2009 Dr. Hayes knew the IRS was pursuing collection of his unpaid income tax liabilities for the 2005, 2006 and 2007 income tax years. Dr. Hayes was asked to complete an IRS Form 433-A, "Collection Information Statement for Wage Earners and Self-Employed Individuals." Form 433-A is used by IRS for assessing the collectability of unpaid tax liabilities. Form 433-A requires a taxpayer to report whether any assets have been transferred for less than full value within the past ten years.

During 2007 and 2008, Dr. Hayes purchased approximately \$138,142 in art, jewelry and antiques, including \$56,445 in jewelry purchased from Tiffany's, a Portrait of "Gentleman and Son" purchased for \$14,697, a Chippendale sofa purchased from Sotheby's for \$34,000, and a pair of Mahogany barstools purchased for \$33,000. At the time Dr. Hayes signed the Form 433-A under the penalty of perjury, Dr. Hayes knew that he had previously gifted those assets to his mother. After Dr. Hayes willfully failed to report the gifting of those assets on the Form 433-A, the IRS closed his collection case as uncollectable.

Dr. Hayes agreed that despite filing for bankruptcy, his total income tax liability for the 2005, 2006, 2007, and 2008 income tax years was at least \$223,783.43, which he will pay as restitution to the IRS.

"Concealing assets or making false statements on IRS forms undermines the integrity of the IRS' collection process," said Kathy A. Enstrom, Special Agent in Charge, IRS Criminal Investigation, Cincinnati Field Office.

Dr. Hayes was released on bond pending sentencing. A date for sentencing has not been set.

This case is being prosecuted by Assistant United States Attorney Pamela M. Stanek and was investigated by special agents of IRS-Criminal Investigation.

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